



IDYLLWILD WATER DISTRICT

NOTICE OF PUBLIC HEARING Proposed Increases to Water and Sewer Service Charges

NOTICE IS HEREBY GIVEN that the Idyllwild Water District Board of Directors will conduct a public hearing on or after 6:00 p.m. on June 21, 2023, or as soon as possible thereafter, in the Idyllwild Water District Board Room - 25945 Highway 243, Idyllwild, CA 92549 to consider the adoption of proposed rate changes for water and sewer service charges covering the Fiscal Years 2023-24, 2024-25, 2025-26, 2026-27, and 2027-28. Said public hearing will be held to consider all oral testimony and written protests to, and the adoption of the proposed rate increases.

ABOUT THIS NOTICE

In compliance with Article XIII D of the California Constitution (Proposition 218), we are notifying all property owners and customers about the hearing regarding proposed rate changes to their water and sewer charges. As the property owner or customer of record responsible for paying the proposed water and sewer service charges, you may submit a written protest to the proposed rates.

PROPOSED INCREASES

We are committed to providing the highest quality water and the most reliable sewer services that fairly distribute costs to all our customers. As part of this commitment, each year, we review our system assets and operations maintenance costs to meet your essential water and sewer service needs. The rate changes are proposed to fairly distribute ongoing costs among our customers, account for inflationary pressures on District operations, ensure financial stability of the District and allow for more infrastructure replacement. The District retained Bartle Wells Associates (BWA), a municipal financial consulting firm, to develop a constitutionally compliant rate structure.

While the Water System rate development includes not only an increase in the overall revenue generated by the charges in each of the next five-years, it also includes significant changes to the actual structure of the rates to be in compliance with legislative and judicial requirements in the elimination of "pre-paid water" allocations to residential customers, the elimination of Tiers for Commercial and Institutional

Customers and the reduction from three (3) tiers to two (2) tiers for residential customers. The proposed rates are calculated to recover District's costs of providing water service and proportionally allocate those costs. The Sewer Enterprise is not proposing any changes to the rate structure but is proposing to increase the rate per equivalent dwelling unit (EDU) in each of the next five years.

The proposed changes are necessary to ensure we fairly recover our costs to provide water and sewer services, encourage water efficiency, maintain fiscal stability, and reestablish an ongoing infrastructure replacement program.

BWA has prepared a cost-of-service study and report that describes the rate development process for the water and sewer enterprises. The BWA report can be found on the District's website: www.idyllwildwater.com.

EXPLANATION OF CHARGES

Water

Commodity Charge: Variable charges (e.g., commodity) are the part of your bill you can control based on the amount of water you use each month. The commodity charges are measured in cubic feet (units), where 1 unit = 7.48 gallons. While water use habits vary, a typical household in our services area uses 200 – 400 units per month.

Monthly Fixed Service Charge: This is a fixed charge based on the size of the meter (in inches) serving water to a parcel or property. This structure charge helps recover a portion of our fixed costs such as billing, collections, meter reading and to cover the costs required to operate and maintain our water system to provide high quality, reliable water service. These costs do not vary based upon the amount of water we deliver to customers.

Sewer

Equivalent Dwelling Unit: This is a fixed charge base on one Equivalent Dwelling Unit (EDU) per residential property. EDU varies for commercial property.

WRITTEN PROTESTS

Water Protest

If you are the record owner of a parcel that receives water service from our District or are a tenant directly responsible for the payment of water service charges, you have the right to file a formal written protest; provided, however, that only one written protest will be counted per parcel. Mail or deliver written protest to:

Idyllwild Water District
Attention: District Secretary
P Box 397
25945 Highway 243
Idyllwild, CA 92549

Protests must include your name, parcel number and / or service address, water account number, a clear written statement protesting the rate increase, your printed name and signature. If the person submitting the written protest is the owner of record, but was not shown on Riverside County's last equalized assessment roll as the property owner, that person must provide written evidence that the person is the property owner. Any protest submitted via email or other electronic means will not count as a formal written protest in the formal tally according to Proposition 218. You may also submit a written protest at the Public Hearing meeting on June 21, 2023, prior to the conclusion of the actual hearing. The District must receive all written protests prior to the close of the Public Hearing. Please identify on the front of the envelope for any protest, "2023 Public Hearing on Water Rate Increases." Protests shall constitute a disclosable public record from and after the time they are received.

Sewer Protest

If you are the record owner of a parcel that receives sewer service from our District or are a tenant directly responsible for the payment of sewer service charges, you have the right to file a formal written protest; provided, however, that only one written protest will be counted per parcel. Mail or deliver written protest to:

Idyllwild Water District
Attention: District Secretary
P Box 397
25945 Highway 243
Idyllwild, CA 92549

Protests must include your name, parcel number and / or service address, sewer account number, a clear written statement protesting the rate increase, your printed name and signature. If the person submitting the written protest is the owner of record, but was not shown on Riverside County's last equalized assessment roll as the property owner, that person must provide written evidence that the person is the property owner. Any protest submitted via email or other electronic means will not count as a formal written protest in the formal tally according to Proposition 218. You may also submit a written protest at the Public Hearing meeting on June 21, 2023, prior to the conclusion of the actual hearing. The District must receive all written protests prior to the close of the Public Hearing. Please identify on the front of the envelope for any protest, "2023 Public Hearing on Sewer Rate Increases." Protests shall constitute a disclosable public record from and after the time they are received.

DOES MY INPUT COUNT AT THE PUBLIC HEARING?

We welcome members of the public to attend the Public Hearing about the proposed rate changes. Any person who attends the Public Hearing will have an opportunity to speak but verbal comments will not qualify as formal protests unless accompanied by a written protest.

ABOUT THE PUBLIC HEARING PROCESS

At the time of the Public Hearing, the Board of Directors will accept and consider all written protests and hear and consider oral comments to the proposed rates. Upon the conclusion of the Public Hearing, the Board of Directors will consider adoption of the proposed rate changes as described in this notice. If written protests against the proposed rates are not presented by a majority of the property owners or tenants of the identified parcels subject to the proposed rate increases, the Board of Directors will be authorized to adopt the rate increases. If adopted, the proposed rates in Exhibit A will become effective July 1, 2023. There is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge.

Please contact us for further information about the basis and reasons for the proposed rate changes or any questions you have about your customer classification, service area or the rates proposed to be imposed to be imposed on your parcel.

Contact:

Idyllwild Water District

Phone: (951) 659-2143

Website: www.idyllwildwater.com

IDYLLWILD WATER DISTRICT

Exhibit A

Proposed Water and Sewer Service Charges

Water Rate Schedule

Water Rate Schedule	Proposed Rates			
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
	(58% F / 42% V) 8.00%	(58% F / 42% V) 8.00%	(58% F / 42% V) 8.00%	(58% F / 42% V) 8.00%
Monthly Fixed Service Charges:				
Single Family Residential				
5/8 inch	\$42.93	\$46.37	\$50.07	\$54.08
3/4 inch	\$64.40	\$69.55	\$75.11	\$81.12
1 inch	\$107.33	\$115.91	\$125.19	\$135.20
All Other Customers:				
5/8 inch	\$42.93	\$46.37	\$50.07	\$54.08
3/4 inch	\$64.40	\$69.55	\$75.11	\$81.12
1 inch	\$107.33	\$115.91	\$125.19	\$135.20
1 1/2 inch	\$214.65	\$231.83	\$250.37	\$270.40
2 inch	\$343.44	\$370.92	\$400.59	\$432.64
3 inch	\$1,588.43	\$4,715.51	\$1,852.75	\$2,000.97
Idyllwild Arts Academy				
3 inch	\$7,555.79	\$8,160.25	\$8,813.07	\$9,518.12
Fire Service Charges:				
2 inch	\$9.43	\$10.18	\$11.00	\$11.88
3 inch	\$17.66	\$19.07	\$20.60	\$22.24
4 inch	\$32.82	\$35.45	\$38.28	\$41.35
Commodity Charges				
Rate per cf of water consumed:				
<i>Uniform Potable Tiered Rate (Residential & Commercial)</i>				
Tier 1 400 cf	\$0.0530	\$0.0570	\$0.0620	\$0.0670
Tier 2 <400 cf	\$0.0870	\$0.0940	\$0.1020	\$0.1100
				\$0.0720
				\$0.1190

Sewer Rate Schedule

Sewer Rate Schedule	Proposed Rates			
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
	13.00%	13.00%	13.00%	13.00%
Monthly Fixed Service Charges:				
Monthly Fixed EDU Charge	\$49.95	\$56.44	\$63.78	\$72.07
				\$81.44

IDYLLWILD WATER DISTRICT

Miscellaneous Fees July 1, 2023

<u>Item</u>	<u>Cost</u>
Sewer Capacity Fee	\$15,345.00/EDU
Sewer Installation Inspection Fee	\$250.00
Water Turn On / Off Fee	\$50.00
Door Hanger Fee (Non-Payment Shut-off Notice)	\$10.00
Not Sufficient Funds (NSF) / Returned Check Fee	\$30.00
Late Payment Fee	\$20.00
Sewer Audit of EDUs (Commercial) Customer Request	\$100.00
Water Availability Letter	\$50.00
Sewer Availability Letter	\$50.00
Transfer Fee (Water / Sewer)	\$50.00
Services Call (After Hours \$75.00)	\$50.00
Application Fee (Water / Sewer)	\$100.00
Construction Water (Renting Meter \$350 and \$500 Deposit for Usage)	\$0.20 / Cubic Foot
Construction Hydrant Meter Relocation Fee	\$25.00

Water Facilities Connection Fee

<u>Meter Size</u>	<u>Connection Fee</u>
0.625 - Inch Meter	\$8,782.00
0.75 - Inch Meter	\$9,172.00
1.00 - Inch Meter	\$14,954.00
1.50 - Inch Meter	\$23,980.00
2.00 - Inch Meter	\$42,255.00
3.00 - Inch Meter	\$67,724.00
4.00 - Inch Meter	\$76,540.00
6.00 - Inch Meter	\$146,800.00

<u>Water Service Installation Fee</u>	<u>Actual Cost</u>
5/8 Inch Through 1.5 Inch	\$2,500.00 Deposit
2.0 Inch and Above	\$3,500.00 Deposit

IDYLLWILD WATER DISTRICT

Water and Sewer Rates Proposed Fiscal Years 2023 -2028 Frequently Asked Questions

Q: Why did I receive a notice about the Public Hearing on June 21, 2023, for the rates?

A: Proposition 218, passed by the voters in 1996 requires Idyllwild Water District to notify all water and sewer customers and ratepayers of the Board of Directors intention to change the way the water and/or sewer rates are to be collected or increased. The notice explains how and why the District is proposing the changes and how you can “protest” the proposed changes. The notice is also available on our website at www.idyllwildwater.com.

Q: How much will my new bill be?

A: Water

The change in Rate Structure for Water Charges will increase. For example, the current monthly rate for a 5/8” meter residential customer is \$40.59 and the proposed water rate increase is \$42.93.

A: Sewer

The change in Rate Structure for Sewer Charges will increase. For example, the current monthly rate for one Equivalent Dwelling Unit (EDU) for a residential customer is \$44.20 and \$44.20/EDU for commercial customers. EDU varies for commercial properties. One EDU is a unit of measurement equal to a single residential property average sewer usage. The proposed sewer rate increases to \$49.95 for residential customers and \$49.95/EDU for commercial customers.

Q: How were the revised rates developed?

A: The Idyllwild Water District Board of Directors engaged Bartle Wells Associates (BWA), a municipal financial consulting firm, to develop legally defensible rate structure options. The Board of Directors then selected the structure that was best suited to the unique needs of the Idyllwild Community. The BWA Rate Study is available on our website www.idyllwildwater.com.

A: Water

The water rate structure is being completely reorganized and although the new rate structure is designed to generate 8% more total revenue each year, overall comparisons need to be made on a case-by-case basis to be meaningful.

A: Sewer

The sewer rate structure is being completely reorganized and although the new rate structure is designed to generate 13% more total revenue each year, overall comparisons need to be made on a case-by-case basis to be meaningful.

Q: What are the Changes to the Water Rate Structure?

A: Water

Increase in the Base Water meter monthly fee from \$40.59 to \$42.93.

Commodity charges are measured in cubic feet (C.F.) (units), where 1 unit = 7.48 gallons and currently have three Tiers. The proposed water rate structure reduces commodity charge Tiers from three to two. The rate for Tier 1 from zero to 400 C.F. will increase from \$0.0234 to \$0.0530 per C.F. and Tier 2 is 400 C.F. or greater the rate will decrease from \$0.1218 to \$0.0870 per C.F.

Q: How can the District have tiered rates?

A: Tiered rates are allowed and must be supported through a detailed rate study which the District had prepared by BWA, a municipal financial consulting firm. That study is available on the District website www.idyllwildwater.com.

Q: What will you do with the additional revenue?

A: Additional revenue is required to allow the District to implement a consistent infrastructure replacement or Capital Improvement Program (CIP).

A: Water

The 2024 Pipeline Project was the first replacement project since 2018. Over 15% of the District's pipelines are over 50-years old and some of the storage facilities (steel reservoirs) need substantial refurbishment. Additional revenue is also needed to rebuild the District's reserve funds which are at 83% of the Target levels set by the Board. In April 2020, the Board of Directors reduced the target Reserve Fund levels to reduce upward pressure on rates but still maintain prudent back-up funding for the District's operations and potential emergencies.

A: Sewer

The existing Wastewater Treatment Plant (WWTP) has reached and exceeded its useful operating life and must be replaced. Currently, the District is actively engaged in the WWTP Project, which is estimated to cost \$7,000,000.00 and possibly more. Once the District reaches certain threshold requirements, the District will pursue financial grants in an effort to offset potential increases in sewer rates.

Q: What does the District Spend money on?

A: District Fiscal Year Budgets are posted on the District website, www.idyllwildwater.com.